



California Economic Update

June 17, 2016

Summary

Nonfarm payroll employment in California increased by 15,200 jobs and the unemployment rate fell to 5.2 percent in May according to data released by the Bureau of Labor Statistics (BLS).

California Unemployment Rate

During May, the unemployment rate in California declined by 0.1 percentage point to 5.2 percent. The number of people counted as unemployed fell by 19,221 in May to 994,525, while the labor force fell by 9,660 to 19,075,812. Among the 50 states and the District of Columbia, 33 posted lower unemployment rates for the month than California. A year earlier, the unemployment rate in California stood at 6.4 percent.

The 10 year peak for the unemployment rate in California was 12.2 percent in October 2010.

This also represents the series high for the unemployment rate in California. The 10 year low for the unemployment rate in California was 4.9 percent in December 2006. The series low for the unemployment rate in California occurred in December 2000 when the unemployment rate reached 4.7 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined by 0.3 percentage point to 4.7 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



California Payroll Employment

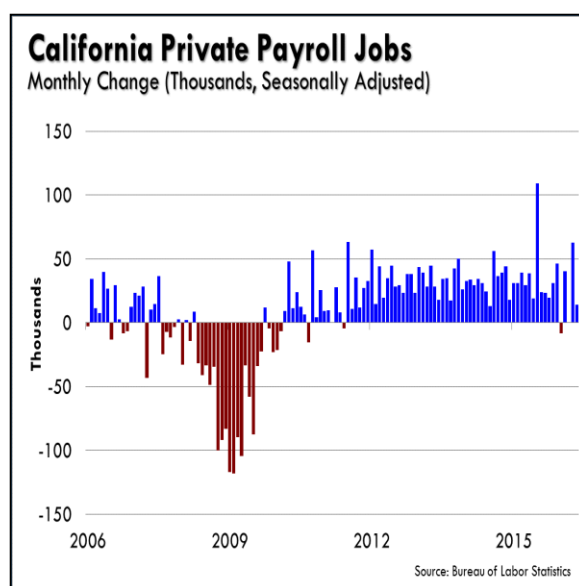
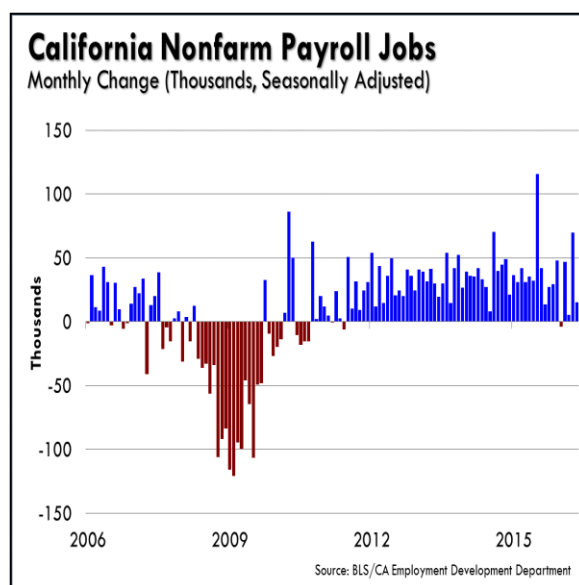
California nonfarm payrolls increased by 15,200 jobs, or 0.09 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls increased by 70,000. Over the past 12 months nonfarm payrolls in California increased by 440,300, or 2.76 percent. California nonfarm payroll employment has increased in 11 of the past 12 months.

Nationally, nonfarm payrolls increased by 38,000 jobs in May, or 0.03 percent. Over the 12-month period ending May 2016 nonfarm payrolls grew by 2,398,000 jobs, or 1.69 percent. California ranks 8th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During May, California private sector payrolls increased by 14,200, or 0.10 percent. Private sector payrolls increased by 62,700 jobs in the prior month. Over the past 12 months, private sector payrolls in California increased by 381,900, or 2.82 percent. California private sector payroll employment has increased in 11 of the past 12 months.

Nationally private-sector payroll jobs increased by 25,000 jobs in 1.69, or 0.02 percent. Over the past 12 months, the nation's economy has added 2,297,000 jobs in the private sector, an increase of 1.92 percent. California ranks 9th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in California increased by 1,000, or 0.04 percent. Federal government payroll employment increased by 1,100, or 0.45 percent. State government payroll employment increased by 2,200, or 0.43 percent, while local government payroll employment declined by 2,300, or 0.13 percent.



Over the past year, total government payroll employment increased by 58,400, or 2.39 percent. State government payroll employment increased by 10,200, or 2.01 percent. Local government payroll employment increased by 46,200, or 2.73 percent.

The best performing sectors on a seasonally adjusted basis during May were Professional & Business Services (+12,800) and Educational & Health Services (+12,800). The poorest performing sectors during the month were Leisure & Hospitality (-7,300) and Manufacturing (-5,000).



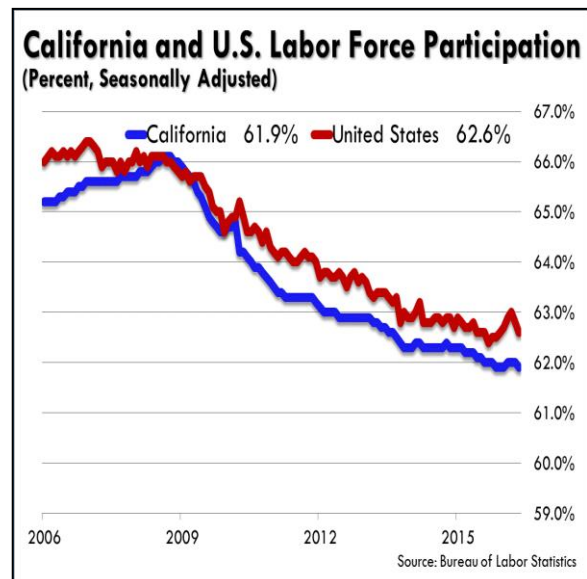
The best performing sectors during the last twelve months were Educational & Health Services (+102,000) and Professional & Business Services (+85,700). The poorest performing sectors for the year were Manufacturing (-12,100) and Mining & Logging (-3,800).

Other California Labor Force Statistics

The labor force participation rate in California declined to 61.9 percent in May from 62.0 percent the prior month. Among the 50 states and the District of Columbia, 35 have a higher labor force participation rate than California. The labor force participation rate in California is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in California was 66.1 percent in October 2008. The series high for the labor force participation rate in California occurred in December 1989 when the labor force participation rate hit 67.9 percent. The 10 year low for the labor force participation rate was 61.9 percent in May 2016. This also represents the series low for the labor force participation rate in California.

The national labor force participation rate declined by 0.2 percentage point to 62.6 percent in May 2016, but remains near its 38-year low of 62.4 percent.



The employment-to-population ratio, or the percentage of the California civilian noninstitutionalized population 16 years and older counted as employed, was unchanged at 58.7 percent in May. Among the 50 states and the District of Columbia, 36 have higher employment-to-population ratios than California. The employment-to-population ratio in California is 0.5 percentage point higher than a year earlier.

The 10 year high for the employment-to-population ratio in California was 62.3 percent in March 2007. The series high for the employment-to-population ratio in California occurred in December 1989 when the employment-to-population ratio hit 64.4 percent. The 10 year low for the employment-to-population ratio was 55.9 percent in July 2011. The series low for the employment-to-population ratio occurred in August 2011 when the employment-to-population ratio hit 55.9 percent.

The national employment-to-population ratio held steady at 59.7 percent in May. That rate was 0.3 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for June is scheduled for release on July 22, 2016. The national employment situation report for June will be released on Friday, July 8, 2016.

